

1 BEFORE THE
2 ILLINOIS COMMERCE COMMISSION

3
4 ILLINOIS COMMERCE COMMISSION,)
 On its own motion,)
5) DOCKET NO.
 -vs-) 02-0718
6)
 CENTRAL ILLINOIS PUBLIC)
7 SERVICE COMPANY)
)
8)
 Reconciliation of revenues)
9 collected under gas adjustment))
 charges with actual costs)
10 prudently incurred.)

11 August 28, 2003

12 Springfield, Illinois

13 Met, pursuant to notice, at 9:00 a.m.

14
15 BEFORE:

16 MR. LARRY JONES, Administrative Law Judge

17 APPEARANCES:

18 MR. THOMAS M. BYRNE
 1901 Chouteau Avenue
19 St. Louis, Missouri 63103

20 (Appearing on behalf of Central
 Illinois Public Service Company)

21 SULLIVAN REPORTING CO., by
22 Carla J. Boehl, Reporter
 Ln. #084-002710

1 APPEARANCES:

(CONT'D.)

2 MS. DIANNA HATHHORN
3 527 East Capitol Avenue
4 Springfield, Illinois 62701

5 (Appearing on behalf of the
6 Accounting Department of the Illinois
7 Commerce Commission)

8 MR. ERIC LOUNSBERRY
9 527 East Capitol Avenue
10 Springfield, Illinois 62701

11 (Appearing on behalf of the Energy
12 Division, Engineering Department of
13 the Illinois Commerce Commission)

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1 PROCEEDINGS

2 (Whereupon AmerenCIPS
3 Exhibits 5.0 Public and
4 5.0 Proprietary were
5 marked for purposes of
6 identification as of
7 this date.)

8 JUDGE JONES: On the record. Good morning. I
9 call for hearing Docket Number 02-0718. This is the
10 matter of the Illinois Commerce Commission on its
11 own motion versus Central Illinois Public Service
12 Company, reconciliation of revenues collected under
13 gas adjustment charges with actual costs prudently
14 incurred.

15 First off we will take the appearances
16 orally for the record, first on behalf of the
17 Company.

18 MR. BYRNE: Thank you, Your Honor. I am Thomas
19 M. Byrne representing Central Illinois Public
20 Service Company doing business as AmerenCIPS. My
21 address is 1901 Chouteau Avenue, St. Louis, Missouri
22 63103.

1 JUDGE JONES: What is your phone number, Mr.
2 Byrne?

3 MR. BYRNE: It is area code (314) 554-2514.

4 JUDGE JONES: Thank you. Commission Staff.

5 MS. HATHHORN: Dianna Hathhorn appearing on
6 behalf of the Financial Analysis Division of the
7 Illinois Commerce Commission. My business address
8 is 527 East Capitol Avenue, Springfield, Illinois
9 62701. My phone is (217) 785-5426.

10 MR. LOUNSBERRY: My name is Eric Lounsberry. I
11 am appearing on behalf of the Engineering Department
12 of the Energy Division, Illinois Commerce
13 Commission. My business address is 527 East Capitol
14 Avenue, Springfield, Illinois 62701. My phone
15 number is area code (217) 785-5436.

16 JUDGE JONES: Thank you. Are there any other
17 appearances? Let the record show there are not.

18 I believe the company has indicated that
19 through Mr. Byrne that it is ready to proceed.
20 Mr. Byrne, all of the Company witnesses in this
21 docket have filed their testimony electronically
22 under affidavit, is that right?

1 MR. BYRNE: That's correct.

2 JUDGE JONES: And is it your intent to offer
3 the testimony and other documents as electronically
4 filed exhibits today?

5 MR. BYRNE: Yes, Your Honor. I have AmerenCIPS
6 Exhibit Number 1.0 is the direct testimony of Van R.
7 Robinson. That was filed on April 2, 2003.
8 AmerenCIPS Exhibit Number 2.0 is the direct
9 testimony of Julianne J. Heins. That was also filed
10 on April 2, 2003, and it is in -- there is a
11 proprietary version and a public version of that
12 testimony.

13 JUDGE JONES: Regarding those two exhibits,
14 Exhibit 1, does that include Mr. Robinson's direct
15 testimony as well as an attached schedule filed
16 along with it?

17 MR. BYRNE: Yes, Your Honor. There is actually
18 -- in Mr. Robinson's case there are four schedules
19 attached to Mr. Robinson's testimony.

20 JUDGE JONES: And in the case of Ms. Heins is
21 there a schedule attached to that also?

22 MR. BYRNE: Yes, Your Honor, there is one

1 schedule attached to Ms. Heins' testimony.

2 JUDGE JONES: And the intent is that those
3 schedules are part of the testimony being offered
4 today?

5 MR. BYRNE: Yes, Your Honor.

6 JUDGE JONES: All right. Let's go ahead and
7 take care of those while we are at it. Any
8 objection to the admission of those exhibits?

9 MR. LOUNSBERRY: No.

10 MS. HATHHORN: No.

11 JUDGE JONES: Let the record show that those
12 CIPS exhibits are admitted into the evidentiary
13 record as filed electronically. As Mr. Byrne noted,
14 they were filed electronically on April 2, 2003.
15 Exhibit 1.0 includes a set of schedules identified
16 as file number 2 in that electronic filing.
17 Ms. Heins' testimony includes Schedule A identified
18 as file number 2 in her testimony filing made on
19 April 2. Ms. Heins' testimony, including the
20 schedule, is CIPS Exhibit 2.0. The proprietary
21 version of that is CIPS Exhibit 2.0 Proprietary.

22 (Whereupon AmerenCIPS

1 Exhibits 1.0, 2.0 and
2 2.0 Proprietary were
3 admitted into evidence.)

4 Your next exhibit?

5 MR. BYRNE: Yes, Your Honor, we have AmerenCIPS
6 Exhibit Number 3.0 which was filed on August 26,
7 2003, and that consists of the certificates of
8 publication evidencing the publication of the notice
9 of this proceeding as required by the Commission's
10 rules.

11 JUDGE JONES: Thank you.

12 MR. BYRNE: So I would offer that into evidence
13 as well.

14 JUDGE JONES: Any objection?

15 MR. LOUNSBERRY: No.

16 MS. HATHHORN: No.

17 JUDGE JONES: Let the record show that the
18 certificates of publication, to which we will assign
19 the identification CIPS Exhibit 3 are admitted into
20 the evidentiary record as filed electronically on
21 August 26, 2003. It consists of two files, file
22 number 1 and file number 2.

1 MR. BYRNE: Your Honor, we have marked those
2 AmerenCIPS. Is that okay to refer to them as
3 AmerenCIPS Exhibit Number 3.0?

4 JUDGE JONES: That's fine.

5 (Whereupon AmerenCIPS
6 Exhibit 3.0 was admitted
7 into evidence.)

8 MR. BYRNE: My next one has been marked
9 AmerenCIPS Exhibit Number 4.0. It was
10 electronically filed on August 27, 2003, and it
11 consists of two staff data requests and AmerenCIPS
12 responses to those data requests in this docket.
13 They were data requests GS-9 and GS-10 dealing with
14 AmerenCIPS' affiliate relations. So I would offer
15 those into evidence as well.

16 JUDGE JONES: Any objection? There is not.
17 Let the record show that Ameren Exhibit CIPS 4.0
18 filed electronically on August 27, 2003, file number
19 1, is admitted into the evidentiary record

20 (Whereupon AmerenCIPS
21 Exhibit 4.0 was admitted
22 into evidence.)

1 MR. BYRNE: And finally, Your Honor, I have an
2 exhibit that was not electronically filed. It has
3 been marked AmerenCIPS Exhibit Number 5.0 and it
4 consists of a number of Staff data requests and
5 Company responses in the ENG series, and there is a
6 proprietary and a non-proprietary version of those
7 data requests and responses. So I would also offer
8 AmerenCIPS Exhibit Number 5.0 into the record.

9 JUDGE JONES: Is that okay with Staff?

10 MR. LOUNSBERRY: Yes.

11 MS. HATHHORN: Yes.

12 JUDGE JONES: There is no objection. Let the
13 record show that AmerenCIPS Exhibit 5.0 and
14 AmerenCIPS Exhibit 5.0 Proprietary are admitted into
15 the evidentiary record. Those are hard copy
16 exhibits. They were marked and initialed by the
17 court reporter this morning.

18 (Whereupon AmerenCIPS

19 Exhibit 5.0 and 5.0

20 Proprietary were

21 admitted into evidence.)

22 Does the Company have any objection if

1 certain portions of AmerenCIPS Exhibit 5.0 is
2 removed from that exhibit?

3 MR. BYRNE: No, Your Honor.

4 JUDGE JONES: Thank you. All right. The
5 Company's exhibits have been admitted into the
6 evidentiary record.

7 I think that completes the Company's case,
8 so to speak, is that right?

9 MR. BYRNE: Yes, Your Honor.

10 JUDGE JONES: I believe there are two staff
11 witnesses and your plan is to be sworn in, is that
12 correct?

13 MS. HATHHORN: Yes.

14 JUDGE JONES: Would you please stand?

15 (Whereupon the Witness was duly sworn
16 by Judge Jones.)

17 Who is first? Would you please identify
18 yourself and your testimony?

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DIANNA HATHHORN

called as a Witness on behalf of the Illinois
Commerce Commission, having been first duly sworn,
was examined and testified as follows:

NARRATIVE TESTIMONY

BY MS. HATHHORN: My name is Dianna Hathhorn.
I am an accountant in the Accounting Department of
the Financial Analysis Division at the Illinois
Commerce Commission. I prepared a document marked
as ICC Staff exhibit 1.00 entitled the Direct
Testimony of Dianna Hathhorn which consists of three
pages of text and two schedules. It was filed on
the e-Docket system August 21, 2003. I have no
corrections to make to the prefiled testimony. If I
were to be asked the same questions today, my
responses would be the same. I offer this document
for admission into the record.

JUDGE JONES: Thank you. That was August 21,
did you say?

MS. HATHHORN: Yes.

JUDGE JONES: Any objection?

MR. BYRNE: None, Your Honor.

1 JUDGE JONES: Let the record show that
2 Ms. Hathhorn's direct testimony is admitted into the
3 evidentiary record at this time. It is identified
4 as Staff Exhibit 1.00 and it is admitted inclusive
5 of all schedules attached to it. As the witness
6 noted, the testimony was filed electronically August
7 21, 2003, as Direct Testimony of Dianna Hathhorn.

8 (Whereupon ICC Staff

9 Exhibit 1.00 was

10 admitted into evidence.)

11 Mr. Lounsberry?

12 **ERIC LOUNSBERRY**

13 called as a Witness on behalf of the Illinois
14 Commerce Commission, having been first duly sworn,
15 was examined and testified as follows:

16 **NARRATIVE TESTIMONY**

17 BY MR. LOUNSBERRY: My name is Eric Lounsberry.
18 I am a supervisor at the Gas Section of the Energy
19 Department of the Energy Division of the Illinois
20 Commerce Commission. I am presenting Staff Exhibit
21 2.00 entitled the Direct Testimony of Eric
22 Lounsberry which was filed on e-Docket on August 21,

1 2003. It consists of a cover page and three pages
2 of written testimony. If I were asked the same
3 questions today, the answers would be the same. I
4 have no changes, additions or modifications to this
5 exhibit. I am offering Staff Exhibit 2.00 for
6 admittance into the record in this proceeding.

7 JUDGE JONES: Any objection?

8 MR. BYRNE: No, Your Honor.

9 JUDGE JONES: Mr. Lounsberry's testimony is
10 admitted into the evidentiary record as filed
11 electronically on August 21, 2003. Were there any
12 changes in the schedules to your testimony?

13 MR. LOUNSBERRY: No.

14 JUDGE JONES: And it was identified in the
15 filing as Direct Testimony of Eric Lounsberry.
16 Thank you.

17 (Whereupon ICC Staff

18 Exhibit 2.00 was

19 admitted into evidence.)

20 Pursuant to a prior discussion there were
21 some post-hearing filings discussed, one being a
22 suggested or draft order from the Company. It is my

1 understanding the parties are in agreement on a
2 schedule. Under that schedule the suggested order
3 would be filed electronically on September 26 by the
4 Company. Prior to that a draft suggested order
5 would be provided to the Commission Staff on
6 September 12. The September 12 filing is between
7 Company and Staff and will not be a filing that will
8 be made with the Commission. Any objection to that?

9 MR. BYRNE: No.

10 MR. LOUNSBERRY: No.

11 MS. HATHHORN: No.

12 JUDGE JONES: That post-hearing scheduling is
13 hereby put into effect.

14 A couple other things. Mr. Byrne, is the
15 Company agreeable to providing some additional
16 information, namely comparison of the unit cost of
17 gas for 2002 compared to 2001?

18 MR. BYRNE: Yes, Your Honor, we will provide
19 that.

20 JUDGE JONES: You can just provide that
21 electronically to Staff and to me, is that
22 satisfactory?

1 MR. BYRNE: That's fine.

2 JUDGE JONES: Is two weeks from today
3 sufficient time to provide that?

4 MR. BYRNE: Yes.

5 JUDGE JONES: There was also some brief
6 discussion regarding certain proprietary
7 information. Some of the witnesses' testimony or
8 schedules contained information marked as
9 proprietary as do some of the DR responses to the
10 ENG series DRs. It was noted that there is a motion
11 to protect that information that was filed by the
12 Company pursuant to the Rules of Practice. I would
13 note for the record that that information remains
14 confidential and proprietary while that motion is
15 pending. That has been treated as proprietary since
16 that motion was filed. Whether some of that
17 information needs to be proprietary has become an
18 open question at this point. But rather than hold
19 the parties up plowing through that information
20 today or rather than keeping the record open for
21 that purpose, we will mark the record heard and
22 taken today. To the extent that there is some

1 further explanation required from the Company with
2 regard to those proprietary designations, the
3 Company would be contacted through Mr. Byrne in that
4 respect. Any questions on that?

5 MR. BYRNE: No.

6 JUDGE JONES: I think that's it then. Do the
7 parties have anything else before we close the
8 record on this one? All exhibits offered are
9 admitted into the evidentiary record. Let the
10 record show this matter in Docket 02-0718 AmerenCIPS
11 is hereby marked heard and taken. Thank you.

12 HEARD AND TAKEN
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